Rent-To-Own Agreement

The information on this document is not legal advice and is not guaranteed to be correct, complete or up-to-date. The law is different from jurisdiction to jurisdiction, and is also subject to interpretation by different courts. The law is a personal matter, and no general information or legal document like the Rent-To-Own agreement can fit every circumstance. Therefore, we suggest you consult a licensed attorney in your area before finalizing any agreement.

Standard Rent-To-Own Agreement

This Lease Agreement with Option to Purchase Real Estate (hereinafter referred to as the Lease/Option) is made this (date) _____/_____/_____, by and between the following parties:
_____ (hereinafter referred to as the Tenant/Buyer); and
_____ (hereinafter referred to as the Landlord/Seller).

In consideration of the mutual promises and covenants hereinafter stipulated, the parties hereby agree as follows:

1. DESCRIPTION: The Landlord/Seller agrees to lease, and, the Tenant/Buyer agrees to rent the real property and improvements, hereinafter called property; located at:
_____
_____

2. TERM: The term of this Lease/Option shall be for a period of _____ months commencing on _____, and ending on _____. The term will be automatically extended for _____ periods of_____ months, unless the Tenant/Buyer gives notice to the Landlord/Seller of its intent to terminate this Lease/Option, by mailing a written notice to the last provided address of the Landlord/Seller. Liability for payment will not extend beyond notice to terminate this agreement. Possession shall be given to Tenant/Buyer on _____.

3. RENT and RENT CREDIT: Tenant/Buyer agrees to pay to the Landlord/Seller, the sum of $_____ per month, with the first payment beginning _____ as rent for the property, for the term of this Lease/Option, and during any extensions thereof. All rental payments shall be due and payable in advance on the 1st day of each and every month. An amount equal to $_____ for each month in which rent was paid, shall be credited to the Tenant/Buyer and applied to the purchase price of the property in the event that the Tenant/Buyer exercises its option hereunder; otherwise, this credit shall be non-refundable and considered forfeited if the option is not exercised.

4. OPTION TO PURCHASE: The Tenant/Buyer, as part of the consideration herein, is hereby granted the exclusive right, option and privilege of purchasing property at any time during the term of this Lease/Option agreement or any extension thereof. The Tenant/Buyer shall notify the Landlord/Seller in writing of the exercise of this option at least ten (10) days prior to the expiration of the initial term of this Lease/Option or the expiration of any extension thereof, by mail to the last-provided address of Landlord/Seller.

5. PURCHASE OPTION PRICE AND TERMS: The Tenant/Buyer agrees to pay for said property the sum of $_____ less any sums for which the Tenant/Buyer is entitled to claim reimbursement or offset in accordance with this agreement; the net sum to be paid in cash, certified check, or cashier's check at closing. Tenant/Buyer has given a non- refundable option consideration of $_____ for the purchase. Additional sums will be properly credited.

6. COVENANTS OF TENANT/BUYER: Commencing with and during the term of this agreement, including extensions, the Tenant/Buyer hereby covenants and agrees as follows: (A) That the Tenant/Buyer will pay all utility charges and bills, including, but not limited to, water, sewer, gas, oil, and electric, which may be assessed or charged against the property; (B) That the Tenant/Buyer will not use the property for any unlawful purpose; and that the Tenant/Buyer will conform to and obey all laws, ordinances, rules, regulations, requirements and orders of all Federal, State, and Local governmental authorities, agencies, departments, bureaus, boards or officials, respecting the use of the property; and (C) That the Tenant/Buyer will surrender and deliver the property, at the end of the term or any extensions thereof, should the option herein not be exercised, in as good order and condition as the same now exists, reasonable use and natural wear and tear excepted. (A) That the Landlord/Seller shall pay for and maintain fire and extended coverage insurance on said property. (B) That the Tenant/Buyer shall peaceably and quietly hold, occupy, use and enjoy the property, without any let, hindrance by Landlord/Seller or any person associated therewith.

7. COVENANTS OF LANDLORD/SELLER: The Landlord/Seller hereby covenants and agrees as follows:

8. BREACH BY TENANT/BUYER: If the Tenant/Buyer shall fail to keep and perform any of the covenants, agreements, or provisions of this Lease/Option, or If the Tenant/Buyer shall abandon the property; it shall be lawful for the Landlord/Seller to enter into said property and again have, repossess, and enjoy the same as if this Lease/Option had not been made, and thereupon this Lease/Option and everything herein contained on the part of the Landlord/Seller to be done and performed shall cease, determine and be utterly void. The commencement of a proceeding or suit in forcible entry and detainer or in ejectment, or otherwise after any default by the Tenant/Buyer, shall be equivalent in every respect to actual entry by the Landlord/Seller.

9. DEFAULT BY LANDLORD/SELLER (PAYMENTS): In the event Landlord/Seller is delinquent on any payments required under this agreement or pertinent to the above property Tenant/Buyer shall have the right to make such payments as necessary to cure said default on behalf of the Seller/Landlord.

10. COSTS OF IMPROVEMENTS: In the event the Tenant/Buyer exercises the option to purchase set forth in paragraph (4), above, and through no fault of the Tenant/Buyer, the Landlord/Seller fails to convey said property to Tenant/Buyer In accordance with the terms of this Lease/Option, the Tenant/Buyer, in addition to any other rights which Tenant/Buyer may have in law or equity for the enforcement of Tenant/Buyer's option to purchase, shall be entitled to reimbursement for the cost of all repairs, maintenance and improvements.

11. RIGHT OF ASSIGNMENT: The Tenant/Buyer shall have the right to sublet the property, and/or to assign all rights or interests which the Tenant/Buyer may have in this Lease/Option Agreement with Landlord/Seller's approval of assignee.

12. MAINTENANCE AND REPAIRS: The Tenant/Buyer accepts the property "as is" on the date of execution of this Lease/Option. The Tenant/Buyer shall henceforth be responsible for all maintenance and repair upon said property, both interior and exterior. The Tenant/Buyer shall have the right to make such repairs, maintenance, and improvements as Tenant/Buyer shall deem necessary proper or desirable. The Tenant/Buyer shall be solely liable for payment for said improvements and shall hold the Landlord/Seller nameless there from, except that any electric, plumbing, heating or cooling system that is out of order or any repairs exceeding $_____at the commencement of this lease or within 30 days thereafter will be repaired by the landlord/Seller at his/her expense. If the Landlord/Seller cannot or will not make the repairs necessary the Tenant/Buyer will have the option of either voiding this agreement by written notice to the landlord/Seller or making such repairs and, a) receiving a reimbursement from the next monthly payment or payments due the Landlord/Seller or, b) receiving a credit against the purchase price.

13. BINDING AGREEMENTS: The parties hereto agree that this Lease/Option comprises the entire agreement of the parties and that no other representation or agreements have been made or relied upon, and that this Lease/Option agreement shall be binding upon the parties, their heirs, executors, administrators, personal representatives, successors or assigns.

14. INCLUDED IN THE PURCHASE: The property shall also include all land, together with all improvements thereon, all appurtenant rights, privileges, easements, buildings, fixtures, heating, electrical, plumbing and air conditioning fixtures and facilities, window shades, venetian blinds, awnings, curtain rods, screens, storm windows and doors, affixed mirrors, wall to wall carpeting, stair carpeting, built in kitchen appliances, bathroom fixtures, radio and television aerials, landscaping and shrubbery, water softeners, garage door openers and operating devices, and all utility or storage buildings or sheds, range and refrigerator. The property shall also include the following items:

_____

_____

_____

15. TITLE: The Landlord/Seller shall convey marketable title to the property with the above described inclusions, by good and sufficient General Warranty Deed in fee simple absolute, on or before closing; said title to be free, clear, and unencumbered except existing mortgages restrictions and easements of record. Title to be conveyed to the Tenant/Buyer and/or assigns.

16. CLOSING: The deed shall be delivered and the purchase money shall be paid at the lending institution's, or other office, of Tenant/Buyer's choice, no later than sixty (60) days after notification to the Landlord/Seller of the Tenant/Buyer's exercise of the option.

17. COSTS AND PRORATIONS: There shall be prorated between the Landlord/Seller and the Tenant/Buyer, as of date of closing, the following items: (a) All real estate taxes and assessments; (b) Interest on encumbrances assumed or taken over by Tenant/Buyer with the Tenant/Buyer having responsibility for such items as follows:
Landlord/Seller will pay:
(Typical Closing Costs)
Tenant/Buyer will pay:
(Typical Closing Costs)

18. INSURANCE: While this option shall remain executory and up until the time of closing, the Landlord/Seller shall maintain fire and extended coverage upon the property, and immediately convert the owner occupied (if applicable) policy to a non-owner occupied policy.

19. ATTORNEY'S FEES: In the event this agreement is placed in the hands of an attorney for enforcement the prevailing party shall be entitled to recover court costs and attorney fees.

20. PREPARER'S DISCLAIMER: All of the undersigned parties in this agreement agree not to hold the preparer of this document liable for any errors, omissions, mistakes or negligence.

21. ACKNOWLEDGEMENT: You hereby acknowledge that you have read this agreement, understand it, agree to it, and have been given a copy.
IN WITNESS WHEREOF:

the parties hereto, have set their hands to this Lease/Option Agreement on this _____ day of _____, _____

X_____
Landlord/Seller 1
X_____
Landlord/Seller 2
X_____
Tenant/Buyer 1
X_____
Tenant/Buyer 2